

INSTRUMENT PREPARED BY  
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE  
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NO. VGOB-14-0318-4039  
ELECTIONS: VC-530396 CBM Unit BM-61  
(hereinafter "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992 at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirements of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on April 9, 2014, and recorded in Deed Book 515, Page 706 in the Office of the Clerk of the Circuit Court for Dickenson County, Virginia on April 25, 2014, (herein "Board Order") and (2) to complete the record regarding elections. The Board Order established a drilling unit and pooled all interests in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 *et seq.*, Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
  - (a) The Board Order directed Range Resources-Pine Mountain, Inc., (herein the "Designated Operator"), to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by said Board Order;

- (b) The Designated Operator filed its affidavit of mailing dated December 24, 2014, disclosing that it was unable to mail a correct copy of the Board's Order to all Respondents as such were unknown or unlocatable;
  - (c) The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated December 24, 2014, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.7C (herein "Affidavit of Elections" annexed hereto), wherein it has, for each Respondent whose interests, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election(s) made, if any; and (iii) whether, by reason of failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Designated Operator;
  - (d) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, First Bank and Trust Company, Trust Division, 38 East Valley Street, Bristol, Virginia 24201; Tel: (276) 466-9222; Attn: Julie Eades, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated July 18, 2006. The Affidavit of Elections indicates that the escrow of funds **is** required with regard to VC-530396 CBM Unit BM-61.
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at Paragraph 2 above, to the extent escrow was required and to the extent it pertained to the elections and interests of the Respondents who have entered into a royalty split agreement and no longer require escrow of any funds, the Applicant is hereby directed to provide the Board with reconciliation of its and the Escrow Agent's records so that any funds affected by this Order may be disbursed in an appropriate manner.
4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this

Supplemental Order stating that a true and correct copy of this Supplemental Order was mailed within seven (7) days from the date of receipt of this Supplemental Order to each Respondent whose address is known.

5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED**.
6. Effective Date: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 5 day of January, 2015 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

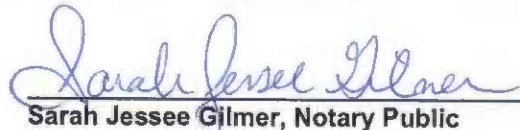
DONE AND PERFORMED this 5 day of January, 2015 by Order of the Virginia Gas and Oil Board.



Rick Cooper  
Principal Executive to the  
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 5<sup>th</sup> day of January, 2015, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.



Sarah Jessee Gilmer, Notary Public  
262946

My Commission expires: July 31, 2017



**VIRGINIA:**

***BEFORE THE VIRGINIA GAS AND OIL BOARD***

IN RE: Application of Range Resources-Pine Mountain, Inc, for the Forced Pooling of Interests in VC-530396 CBM Unit BM-61, Docket No. VGOB-14-0318-4039 in the Ervinton District, Nora Quadrangle, Dickenson County, Virginia.

AFFIDAVIT OF MCKINNIS & SCOTT, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

Timothy E. Scott (herein Affiant), being duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of MCKINNIS & SCOTT, the Agent for the Designated Operator, with offices located at 135 W. Main Street, Suite 200, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on April 9, 2014, by the Virginia Gas and Oil Board regarding the captioned coalbed methane gas unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That because all parties respondent were either unknown or unlocatable, he was not able to mail a copy of said Order to such parties Respondent; that an affidavit to such effect has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Lebanon, Virginia;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender written notice of their election of the option selected under Paragraph 9 of the Order to the Designated Operator within thirty (30) days from the date of receipt of a copy of the recorded Order;
5. That the Designated Operator, by and through its agent, McKinnis & Scott, Attorneys-at-Law, has established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Drilling Unit; that the following persons or entities delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day elections period:



None

6. That the interest and/or claims of the following persons or entities (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, as unknown or unlocatable:

See Exhibit E.

7. That after the pooling hearing held in the captioned matter, the following persons or entities have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims:

None.

8. That the Designated Operator with regard to persons previously requiring the services of the Escrow Agent have now reached an agreement regarding their interests or claims that allows Applicant/Designated Operator to make royalty distribution without the need to escrow funds which would otherwise be in conflict:

None.

9. That the Respondents identified in Exhibit B-3 hereto have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective oil, gas and coalbed methane gas rights, interests and claims shall be deemed to have leased to Applicant/Designated Operator pursuant to and in accordance with Paragraph 10 of the Board Order dated April 9, 2014:

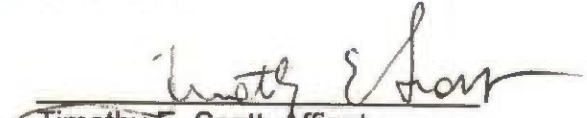
None.

10. The Designated Operator requests that the following persons be dismissed as Respondents:

None.

That pursuant to the provisions of 4VAC 25-160.70.A.10 and .C and VAC 25-160-80, annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent is required in this matter pursuant to the terms of §§ 45.1-361.21.D and 45.1-361.22.A.3 and .4.

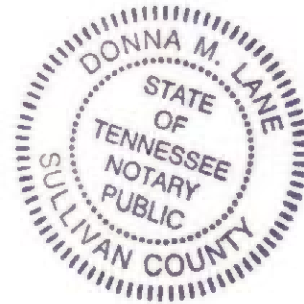
Dated at Kingsport, Tennessee, this 24<sup>th</sup> day of December, 2014.

  
Timothy E. Scott, Affiant

Taken, subscribed and sworn to before me by Timothy E. Scott, the Agent for Range Resources-Pine Mountain, Inc., a corporation, on behalf of the corporation, this 24<sup>th</sup> day of December, 2014.

  
Notary Public

My commission expires: 7-18-2017



[f:\msword2000\pinemountainoilandgas\pooling.V-530396.supportorder&aff December 24, 2014]

Page Number 8.



**Exhibit "B"**  
**VC-530396**

<b>Tract</b>	<b>Lessor</b>	<b>Lease Status</b>	<b>Interest Within Unit</b>	<b>Gross Acreage in Unit</b>
<b>Coal Estate Only</b>				
1	Range Resources - Pine Mountain, Inc. Attn: Jerry Grantham PO Box 2136 Abingdon, VA 24212 Tax # Minerals Only	Owner	93.94000000	55.24000000
2	Range Resources - Pine Mountain, Inc. Attn: Jerry Grantham PO Box 2136 Abingdon, VA 24212 Tax # Minerals Only	Owner	4.44000000	2.61000000
3	Range Resources - Pine Mountain, Inc. Attn: Jerry Grantham PO Box 2136 Abingdon, VA 24212 Tax # Minerals Only	Owner	1.62000000	0.95000000
<b>TOTAL CBM ESTATE</b>			100.00000000	58.80000000
Percentage of Unit Leased		100.00000000		
Percentage of Unit Unleased		0.00000000		
Acreage in Unit Leased		58.77000000		
Acreage in Unit Unleased		0.03000000		

**Exhibit "B"**  
**VC-530396**

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
<b>Gas Estate Only</b>				
1	Range Resources - Pine Mountain, Inc. Attn: Jerry Grantham PO Box 2136 Abingdon, VA 24212 Tax # Minerals Only	Owner	93.94000000	55.24000000
2	Joseph Kiser Jr Heirs Unknown Tax # Minerals Only	Unleased	4.44000000	2.61000000
3	Range Resources - Pine Mountain, Inc. Attn: Jerry Grantham PO Box 2136 Abingdon, VA 24212 Tax # Minerals Only	Owner	1.62000000	0.95000000
<b>TOTAL GAS ESTATE</b>			100.00000000	58.80000000
	Percentage of Unit Leased	95.56000000		
	Percentage of Unit Unleased	4.44000000		
	Acreage in Unit Leased	56.19000000		
	Acreage in Unit Unleased	2.61000000		

**Exhibit "B-3"**  
**VC-530396**

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
<b>CBM Estate Only</b>				
2	Joseph Kiser Jr Heirs Unknown Tax # Minerals Only	Unleased	4.44000000	2.61000000
<b>TOTAL GAS ESTATE</b>			4.44000000	2.61000000

**Exhibit "E" - Escrow Owners**  
**VC-530396**

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
2	Joseph Kiser Jr Heirs Unknown Tax # Minerals Only	Unleased	4.44000000	2.61000000

INSTRUMENT #150000230  
RECORDED IN THE CLERK'S OFFICE OF  
CLICKENSUN ON  
MARCH 11, 2015 AT 11:25AM

RICHARD W. EDWARDS, CLERK  
RECORDED BY: CJB